



INSIGHTS

108th Congress

March 15, 2004

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Weekly Summary

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

Activities of interest scheduled for this week include the following:

HOUSE

Activities of interest in the House this week include

- Various subcommittees of the Committee on Appropriations will conduct hearings on the FY 2005 Budget Request for the Department of Energy, the Army, and the Air Force.

SENATE

The Senate is not in session this week.

FY 2005 BUDGET RESOLUTION

Both the House and Senate made progress last week on the FY 2005 Budget Resolution. Key elements of each are provided below. However, please note that more details are currently available on the Senate resolution. Also, the annual budget resolution is a “nonbinding” proposal, which serves as a guide for the House and Senate Committees on Appropriations for developing funding caps for the annual appropriations process.

H. Con. Res. __ In the House, the Committee on the Budget began marking up the resolution last week and completed work on five amendments; only one amendment was approved by the committee. [The House resolution provides \\$819 billion for discretionary spending. In general, discretionary spending is equal to FY 2004 funding levels, with the exception of Defense and Homeland Security programs.](#) The resolution provides the Department of Defense with a 7.1 percent increase over the President’s FY 2005 Budget Request. Committee Chair Jim Nussle (R/IA) crafted a proposal in order to reduce the deficit to \$235 billion by 2009 from the FY 2004 level of \$521 billion. In his opening remarks during the mark up process, Chairman Nussle said in part:

...“this is clearly not the budget any one of us would ideally want to write. Taking the initiative to root out and reduce waste, fraud and abuse, doing a little more with a little less actually restraining spending – is a whole lot tougher than just signing off on huge spending increases...if we adhere to these principles – here’s what we can expect to gain:

- First, not to increase the deficit in the current year. I think that’s a completely reasonable goal.
- Second, cut the budget deficit in half within 4 years by percent of the GDP and by actual dollars.
- Third, get the ball rolling on the effort started here last year on reigniting oversight responsibilities and reducing the massive amounts of wasteful Washington spending.

- And, win the war, balance the budget, and double the economy.

The House is scheduled to resume marking up the resolution this week with the hope of completing it by the end of the week.

S. Con. Res. 85 On March 12, the Senate approved its version of the FY 2005 Budget Resolution. The Senate proposal provides a strategy for reducing the current Federal deficit by 50 percent over a period of three years. [The \\$814 proposal for discretionary spending represents a 3.3 percent increase over FY 2004 funding levels.](#) In addition, the resolution would increase Defense spending by seven percent and Homeland Security by 15 percent. Key elements of interest in the Senate resolution include the following provisions:

- Reinstates authorization of Federal use of the Energy Savings Performance Contracting procurement vehicle by directing the Congressional Budget Office to “rescore” the program to zero instead of the office’s previous score of \$3 billion (the authorization expired on September 30, 2003). The resolution includes the following language:

“In recognition that the Energy Savings Performance Contract Program recoups its costs through guaranteed savings without increasing budgetary outlays, the Congressional Office shall score [ESPC]...as zero.”

- Directs the Administration to cease filling the Strategic Petroleum Reserve (SPR) and instead, sell the fuel oil on the open market; 53 million barrels of oil are scheduled to be purchased for SPR and used in the event of a fuel oil emergency (in response to rising cost of imported fuel)

The ESPC provision was introduced as a bipartisan effort by Jeff Bingaman (D/NM), Ranking Minority Member of the Committee on Energy and Natural Resources and James Inhofe (R/OK), Chair of the Committee on Environment and Public Works. In response to Senate approval of the language, Senator Bingaman said, “Energy Savings Performance Contracts are the premier tool for promoting energy efficiency within the federal government.” Meanwhile, industry stakeholders and the nonprofit energy policy community continue to promote reauthorization of performance contracting by the Federal Government through comprehensive energy legislation or a separate reauthorization bill.

In response to Senate passage of the budget resolution, Don Nickles (R/OK), Chair of the Committee on the Budget said:

“This is a challenging budget year. The deficits we face are unacceptable, and the Senate has worked this week to pass a budget that cuts deficits while making room for important national priorities. The budget we passed has significant deficit reduction, fully funds the President’s defense requests, and paves the way for the Senate to keep tax rates lower for working families.”

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II. COMMITTEE ACTIVITY

HOUSE

Legislation

No new legislation of interest to report.

Summary of Hearings

FY 2005 Budget Request for the Department of Energy (DOE) On March 11, Secretary of Energy Spencer Abraham addressed members of the Subcommittee on Energy and Water Development (Committee on Appropriations) regarding the FY 2005 Budget Request for DOE. The \$24.3 billion request includes \$2.7 billion for energy resource programs; of this amount \$1.1 billion lies within the subcommittee's jurisdiction. The budget request includes \$227 million for hydrogen-related activities and \$133.5 million of this amount resides under the subcommittee's jurisdiction. The funds would be split among the following programs: [\\$95.3 million for the Office of Energy Efficiency and Renewable Energy's \(EERE\) renewable energy programs](#), \$29.2 million for the Office of Science programs, and \$9 million for the Office of Nuclear Energy's programs. Other funding levels under the subcommittee's jurisdiction include:

- Research and Development: \$375 million to increase deployment and reduce the cost of renewable energy technologies
- Modernize and Expand National Electricity Transmission Grid: \$91 million (includes \$5.5 million for a new Gridworks program and \$5 million for a Gridwise program)
- Fuel Cells: \$227 million to support zero emission fuel cell vehicles, abundant production sources, and safe storage and transportation of hydrogen

SENATE

Legislation

Comprehensive Energy Legislation Due to continued discussion between the Senate Republican and Democratic Leadership on the number of amendments that could be attached to *S. 2095*, the Senate's new energy bill, a firm date for consideration by the full chamber has not been scheduled. It has been reported that up to 300 amendments are pending and the Republican Leadership is seeking a commitment from the Democrats that the number of amendments will be limited to a fraction of that amount before scheduling Senate debate on the bill. [Meanwhile, with passage of comprehensive energy legislation in doubt this year, Senator Bingaman last week proposed passage of a smaller bill, which would include titles with bipartisan support, including titles on energy efficiency, electricity reliability, hydrogen, among others.](#)

No new legislation of interest to report.

Summary of Hearings

FY 2005 Budget Request for the U.S. Forest Service On March 10, Dale Bosworth, Chief, USDA Forest Service; Mark Rey, Under Secretary, Natural Resources and Environment; and Hank Kashdan, Director of Program and Budget Analysis, USDA Forest Service, addressed members of the Subcommittee on

Interior and Related Agencies (Committee on Appropriations) regarding the \$4.9 billion FY 2005 Budget Request for the U.S. Forest Service. The request represents a \$68.4 million increase over the FY 2004 funding level. Mr. Bosworth told subcommittee members that the budget will cover improvements in the Forest Legacy Program, Land Acquisition Program, and the Capital Improvement and Maintenance Program, in addition to \$10 million to address deferred maintenance. Several bills have been introduced to assist the Forest Service in carrying out its funding objectives. One bill would establish a Facilities Acquisition and Enhancement Fund authorizing the Forest Service to sell off unused land and use the profit toward infrastructure improvements. Another bill would establish permanent authority for the Recreational Fee Demonstration Program to help pay for park improvements.

FY 2005 Budget Request for the Department of Transportation (DOT) (focus: Budget and Management Challenges) On March 9, members of the Subcommittee on Transportation, Treasury and General Government (Committee on Appropriations) heard from Transportation Secretary Norman Mineta on the \$58.7 billion FY 2005 Budget Request for DOT. The request includes \$160 million to complete the next construction phase for the Department's Headquarters' Office building as well as other unrelated activities. Phase I on the construction project, which totaled \$42 million, was funded by the General Services Administration's FY 2004 appropriations.

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III. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

HOUSE

No new legislation of interest to report.

SENATE

No new legislation of interest to report.

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IV. ADMINISTRATION INITIATIVES

No activities of interest to report.

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V. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 17 – Subcommittee on Energy and Water Development	David Hobson (R/OH)	Hearing – FY 2005 Budget Request for the Department of Energy (Offices of Energy Efficiency and Renewable Energy, Science, and Nuclear Energy)	TBA	10:00 a.m. Room 2362B Rayburn Office Building
March 17 – Subcommittee on Military Construction (NEW)	Joe Knollen- berg (R/MI)	Hearing – FY 2005 Budget Request for the Army	Peter Schoomaker, Chief of Staff, U.S. Army Geoffrey Prosch, Acting Assistant Secretary of the Army for Installations and Environment, U.S. Army	9:30 a.m. Room B-300 Rayburn Office Building
March 18 – Subcommittee on Military Construction	Joe Knollen- berg (R/MI)	Hearing – FY 2005 Budget Request for the Air Force	John Jumper, Chief of Staff, U.S. Air Force Nelson Gibbs, Assistant Secretary of the Air Force for Installations, Environment and Logistics, U.S Air Force	9:30 a.m. Room B-300 Rayburn Office Building
March 31 – Subcommittee on Interior and Related Agencies	Charles Taylor (R/NC)	Hearing – FY 2005 Budget Request for the National Park Service	TBA	10:00 a.m. Room B-308 Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
March 17 – Committee on the Budget (NEW)	Jim Nussle (R/IA)	Markup – FY 2005 Budget Resolution	N/A	Time TBA Room 210 Cannon Office Building
April 1 –	Joe Barton	Hearing –	TBA	9:30 a.m.

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
Committee on Energy and Commerce <i>(NEW)</i>	(R/TX)	FY 2005 Budget Priorities for the Department of Energy		Room 2123 Rayburn Office Building

SENATE – COMMITTEE ON APPROPRIATIONS

No hearings of interest have been scheduled.

SENATE – AUTHORIZATIONS/OVERSIGHT

No hearings of interest have been scheduled.

CONFERENCE COMMITTEE NEGOTIATIONS AND FLOOR VOTES

No activities of interest have been scheduled.

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